

Summary of USAID Fiscal Year 2004 Budget Request

U.S. AGENCY FOR INTERNATIONAL DEVELOPMENT
FACT SHEET

WASHINGTON, DC 20523
PRESS OFFICE
<http://www.usaid.gov>
(202) 712-4320

2003-003

FOR IMMEDIATE RELEASE

February 3, 2003

"Millions are facing great affliction, but with our help, they will not face it alone. America has a special calling to come to their aid and we will do so with the compassion and generosity that have always defined the United States."

-President George W. Bush, February 1, 2003

WASHINGTON - The President's budget requests \$8.7 billion in fiscal year 2004 for development and humanitarian assistance administered by the U.S. Agency for International Development (USAID). It includes increases in basic education and agriculture, two priority areas for the administration. USAID will program and manage approximately \$5.1 billion and will manage an additional \$3.6 billion which it will program in coordination with the Department of State.

USAID programs are funded from several different budgetary accounts: Child Survival and Health (CSH: \$1.495 billion), Development Assistance (DA: \$1.345 billion), International Disaster Assistance (IDA: \$236 million), Transition Initiatives (TI: \$55 million) and P.L. 480 Food for Peace (\$1.185 billion). The Support for East European Democracies (SEED: \$435 million) and the FREEDOM Support Act (FSA: \$576 million) accounts fund programs in Europe and Eurasia and are jointly managed with the Department of State, while Economic Support Funds (ESF: \$2.535 billion) finance programs administered by USAID at the State Department's request.

The fiscal year 2004 budget request builds on the Agency's programmatic "pillars": Democracy, Conflict and Humanitarian Assistance; Economic Growth and Global Health. The Global Development Alliance, USAID's fourth "pillar," mobilizes resources from and alliances with U.S. public and private sectors and is funded at \$15 million.

Democracy, Conflict and Humanitarian Assistance

In fiscal year 2002, USAID responded to 75 disasters in 60 countries--50 natural disasters, and 25 complex or human-caused emergencies. Many humanitarian disasters arise from the failure of states or stem from natural conditions and are exacerbated by poor governance. USAID seeks to address not just the symptoms but the causes of these humanitarian crises by helping to create transparent, accountable systems of governance. Key areas include:

- ▶ *Democracy and governance, conflict mitigation and human rights programs:* \$212 million. This includes funding to support elections, the rule of law and anti-corruption and anti-trafficking efforts.
- ▶ *Transition initiatives:* \$55 million. Fast and flexible assistance eases the transition of countries moving from war to peace, from civil conflict to national reconciliation, or consumed by political strife that is not yet violent.
- ▶ *Disaster assistance:* \$236 million. Emergency needs might include medicines and health care, seeds to restart agricultural production when crops fail, potable water and sanitation after a flood.
- ▶ *Food assistance:* \$1.185 billion (P.L. 480 Title II). Approximately half of the food assistance budget will be set aside for emergency situations and programmed as events unfold. The balance is programmed both to relieve chronic food shortages and finance developmental activities.

Economic Growth, Agriculture and Trade

USAID's investments in basic education and sustainable agriculture increase in fiscal year 2004, while its micro-enterprise, trade and investment, and environmental programs create opportunities for individuals and enhance economies' productivity and sustainability. Key areas include:

- ▶ *Education*: \$262 million. The highest priority remains primary and secondary education (\$212 million) with a 28 percent increase over fiscal year 2003. Basic education programs will emphasize increasing access to education in Africa and improving teacher training in Latin America. In addition, \$50 million will be devoted to higher education, training and literacy.
- ▶ *Agriculture*: \$269 million. This is an increase of \$8 million over fiscal year 2003. Special attention will be given to food security and sustainable agriculture in sub-Saharan Africa and South Asia.
- ▶ *Business, Trade and Investment*: \$316 million. Stronger linkages between trade and development will increase the capacity of developing countries to participate in and benefit from global and regional trade.
- ▶ *Environment*: \$286 million. Programs will reduce the threat of global climate change (\$155 million), conserve biodiversity, promote sound management of natural resources, reduce illegal logging, and increase access to clean water and sanitation.

Global Health

USAID is recognized as a world leader in combating HIV/AIDS and other infectious diseases, as well as promoting child survival and maternal health. Investing in the health of the world's population contributes to global economic growth and reduction of poverty. Key areas include:

- ▶ *HIV/AIDS*: \$790 million total (\$750 million under CSH and \$40 million from other accounts such as the FREEDOM Support Act), including \$150 million for the President's Mother and Child HIV Prevention Initiative and \$100 million for the Global Fund for AIDS, Tuberculosis and Malaria.
- ▶ *Family planning and reproductive health programs*: \$425 million (\$346 million under the CSH account and \$79 million from other accounts)
- ▶ Child survival and maternal health (\$285 million) and other infectious diseases (\$104 million) remain important elements of USAID's overall health program.

Europe and Eurasia

The administration requests \$435 million for Assistance to Eastern Europe and the Baltics, giving priority to the still fragile Balkan states of Serbia (\$95 million), Kosovo (\$79 million), Bosnia-Herzegovina (\$44 million), and Macedonia (\$39 million). Assistance to Eurasia will total \$576 million, with the Central Asian republics and Azerbaijan expected to receive up to \$198 million.

Economic Support Funds

USAID will administer \$2.5 billion in assistance given to countries supporting the economic and political foreign policy interests of the United States. Major recipients of this aid include countries central to the Middle East peace process-Egypt, Israel, Jordan, and the West Bank and Gaza-and front-line states in the war on terrorism, including Turkey, Pakistan and Afghanistan.

Operating Expenses and Capital Investment Fund

USAID is requesting \$604 million for operating costs and \$146 million for capital investment to administer an \$8 billion program. A modest increase in the operating budget will allow USAID to hire additional HIV/AIDS officers and recruit and train junior foreign service officers to fill in the ranks behind retiring officers. Major capital expenditure needs include construction of new buildings and improving security of existing facilities, and modernizing information systems.
